

Exhibit 1

PX3104

Message

From: Trevor Soames [trevorsoames@quinnemanuel.com]
Sent: 1/12/2023 10:32:28 AM
To: ZEDLER Marc [Marc.ZEDLER@ec.europa.eu]
CC: Hyunseok Doh [hyunseokdoh@quinnemanuel.com]; COMP-DL-M.10646@ec.europa.eu
Subject: Re: M.10646 Microsoft/ Activision Blizzard - presentation to the CMA
Attachments: 2023-01-09 MSFT-ATVI_discussion_with_CMA_and_NVIDIA (Confidential).pdf; 2023-01-09 MSFT-ATVI_discussion_with_CMA_and_NVIDIA (Non-confidential) final.pdf

Dear Marc and case team,

Please find attached a copy of the *confidential* PDF slide deck that was used in the CMA presentation as well as a *non confidential* PDF version in which the confidential specified information has been blacked out.

NVIDIA respectfully requests confidential treatment of the information identified as being confidential and blacked out in the *non confidential* PDF version in accordance with Article 339 of the Treaty on the Functioning of the European Union, Section II.B.3.2. of the Commission Notice on the rules for access to the Commission file (22 December 2005), and paragraph 1.6 of the introduction to the Form CO annexed to Regulation (EC) No 802/2004 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings, as amended by Commission Regulation (EC) No 1033/2008 and Commission Implementing Regulation (EU) No 1269/2013 (consolidated version). The CMA presentation is supplied to the Commission exclusively in relation to the appraisal under Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings of the proposed transaction in Case M.10646 - Microsoft/Activision Blizzard. Its publication or disclosure to any other person or entity would not only seriously damage NVIDIA Corporation in the operation of its business but also damage its legitimate interests and, therefore, it requests that this response and its contents be afforded confidential treatment, protected from disclosure, and will not be published or disclosed to any other person or entity (other than the provision of the *non confidential* PDF version to the notifying parties on access to the file under Article 17 of Regulation (EC) No 802/2004) without the express prior written consent of NVIDIA Corporation.

Kind regards

Trevor

Trevor Soames | Partner

Avocat au Barreau de Bruxelles | Solicitor-Advocate & Barrister

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From: ZEDLER Marc <Marc.ZEDLER@ec.europa.eu>

Date: Thursday, 12 January 2023 at 14:04

To: Trevor Soames <trevorsoames@quinnemanuel.com>

Cc: Hyunseok Doh <hyunseokdoh@quinnemanuel.com>, "COMP-DL-M.10646@ec.europa.eu" <COMP-DL-M.10646@ec.europa.eu>

Subject: M.10646 Microsoft/ Activision Blizzard - presentation to the CMA

[EXTERNAL EMAIL from marc.zedler@ec.europa.eu]

Dear Trevor,

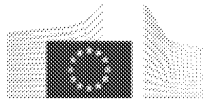
We understand that NVIDIA has recently given a presentation to the CMA about its view on the Microsoft/ Activision Blizzard transaction. We would very much appreciate if you could share this presentation with us as well.

Many thanks in advance!

Marc

Marc Zedler

Deputy Head of Unit



European Commission

DG COMPETITION

Unit C.5

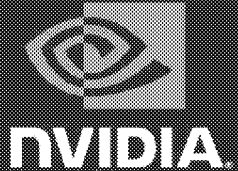
Building MADO Office 27/04
B-1049 Brussels/Belgium
+32 229-90289

marc.zedler@ec.europa.eu

Competition websites: <http://ec.europa.eu/competition>

DISCLAIMER

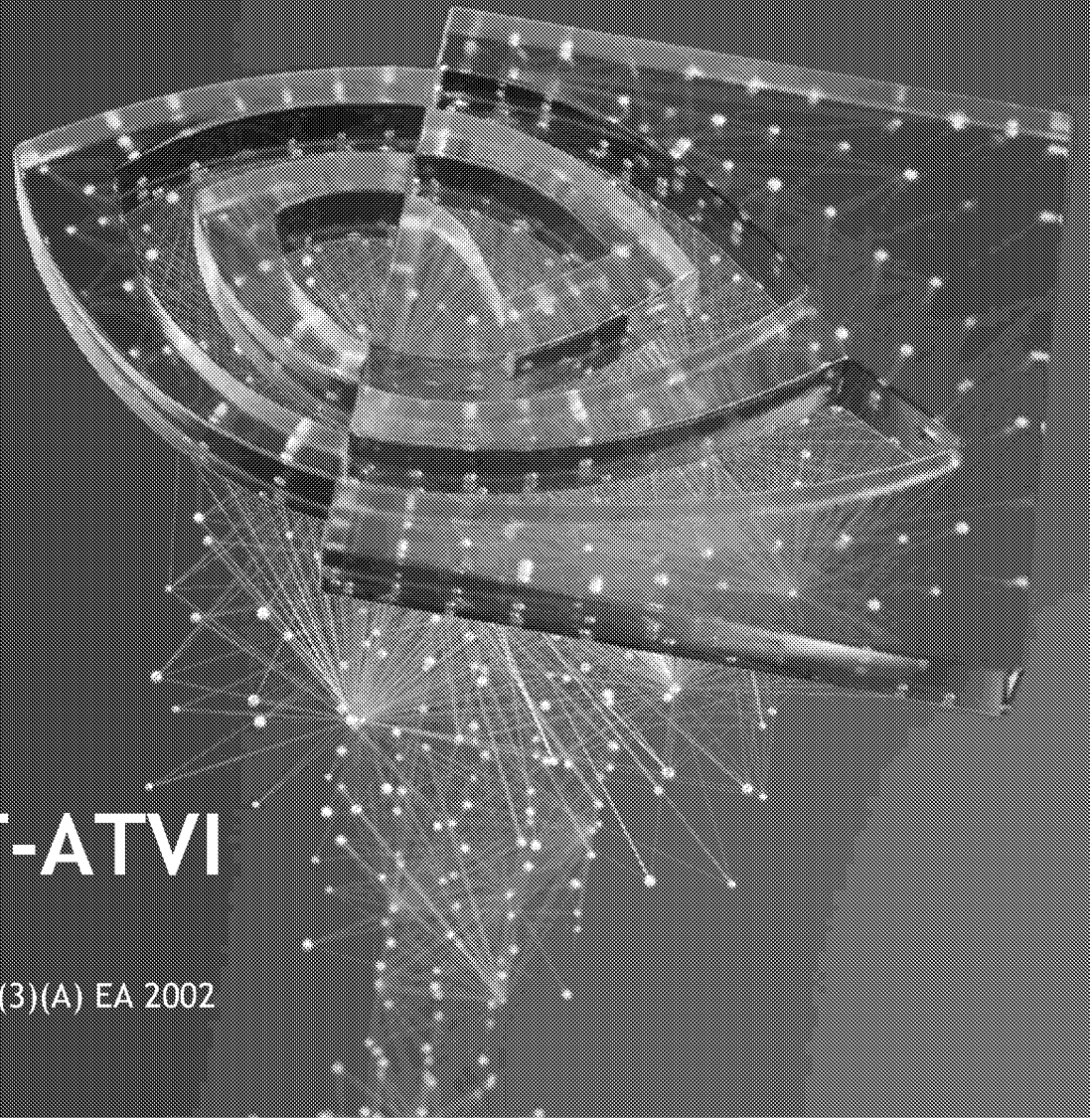
"The views expressed are purely those of the writer and may not in any circumstances be regarded as stating an official position of the European Commission."



CMA AND NVIDIA DISCUSSION IN MSFT-ATVI

9 January 2023

CONFIDENTIAL/BUSINESS SECRETS §§ 237(1)(B), 244(3)(A) EA 2002



Cloud Gaming is Poised for Success

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Activision and Bethesda made their games available on GFN for a lengthy Beta period and enjoyed the benefits of it

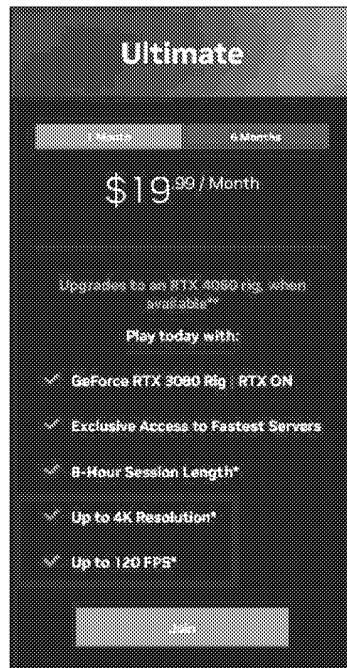
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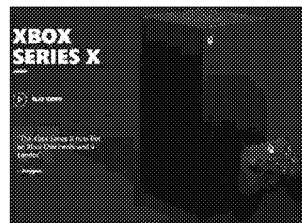
GFN's Last Generation Matched Performance of Current Gen Consoles

GeForce NOW



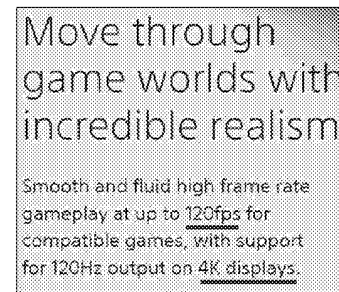
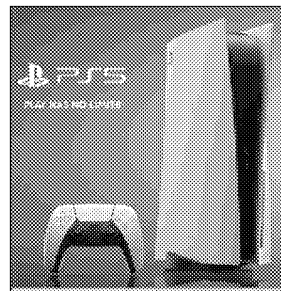
<https://www.nvidia.com/en-us/geforce-now/>

Xbox Series X



<https://www.xbox.com/en-US/consoles/xbox-series-x>

PlayStation 5



<https://www.playstation.com/en-us/ps5/>

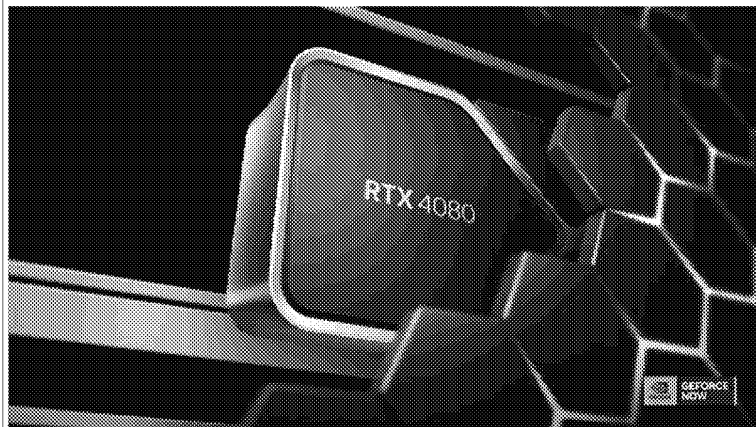
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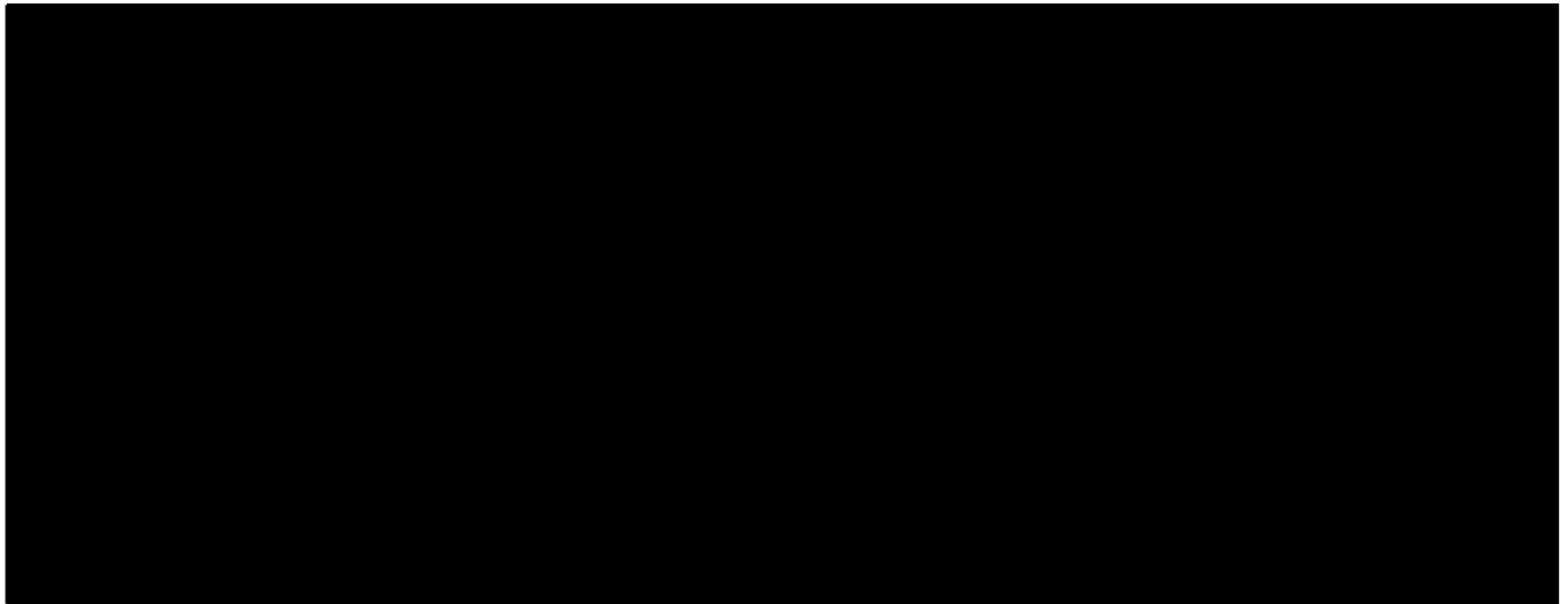


The GeForce NOW Ultimate membership raises the bar on cloud gaming, bringing it closer than ever to a local gaming experience. With GeForce RTX 4080 performance, Ultimate members will be the first to experience true PC gaming — streaming at up to 240 frames per second from the cloud with full ray tracing and DLSS 3, in hit games like *Portal With RTX*. With the addition of NVIDIA Reflex, GeForce NOW achieves click-to-pixel latency below 40 milliseconds — another first in cloud gaming.

<https://nvidianews.nvidia.com/news/nvidia-brings-rtx-4080-to-geforce-now>

Cloud Gaming is Poised for Success

Strong and growing demand exists for Cloud Gaming:



CONFIDENTIAL/BUSINESS SECRETS § 8 237(1)(b), 244(3)(a) EA 2002

6 NVIDIA

Cloud Gaming Is Critical to Innovation and Competition

Moore's Law is dead, impacting standalone PCs and consoles -- the cloud is unlimited

Cloud gaming will enhance competition and innovation

Consumers want to play games from independent publishers on every platform

Cloud gaming breaks down barriers -- consumers are not locked into a particular console or PC

Competition from cloud gaming (on phones, tables, or Apple computers / older PCs) will spur innovation in consoles

Content is Critical to Cloud Gaming

GFN's Ability to Compete Depends on Fair Access to Content

Consumers will not invest in cloud gaming without access to content



Independent developers of AAA games are more important to cloud gaming than ever

As development costs exponentially increase, barriers to new independent publishers of AAA have grown

Content is Critical to Cloud Gaming

Google Stadia Failed Because of Lack of Content

To sidestep Microsoft's stranglehold over Windows and PC gaming, Google tried to convince publishers to port their games to Linux:

Google is using Linux as the operating system powering its hardware on the server side. That means game developers will need to port their games to Stadia, and you won't be able to bring games you already own like some other cloud gaming services (Nvidia's GeForce Now or Shadow). Google is partnering with Unreal and Unity and even middleware companies like Havok, but there's going to be some lifting involved for developers to get games onto Stadia. Google needs to convince big publishers to sign up, but it failed to detail how much it costs to develop, publish, and run games on Stadia.

<https://www.theverge.com/2019/3/20/18273977/google-stadia-cloud-game-streaming-service-report>

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That business model proved unsupportable:

Convincing developers to port titles to the Linux-based Stadia has proven difficult. As a result, some big-name titles are not available on the streaming service. Any move in the direction of allowing developers to use code from the Windows versions of games could help bolster Google's platform.

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Right from the start, it was clear that one of the biggest problems with Stadia was the fact that the service only worked with games specifically designed for Stadia. In other words, you couldn't just play the games you already owned via Steam or some other marketplace via Stadia. You had to own the Stadia version of the game, which meant developers also had to make special Stadia versions of their games in the first place.

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Activision Controls a Powerful Library

“Call Of Duty: Modern Warfare II passes \$1 billion in sales in less than two weeks” (Forbes, 7 Nov. 2022)

“Few franchises generate over a billion dollars in annual net bookings and today we operate three of them - Call of Duty, Warcraft, and Candy Crush.” (Activision Blizzard FY20 Annual Report)

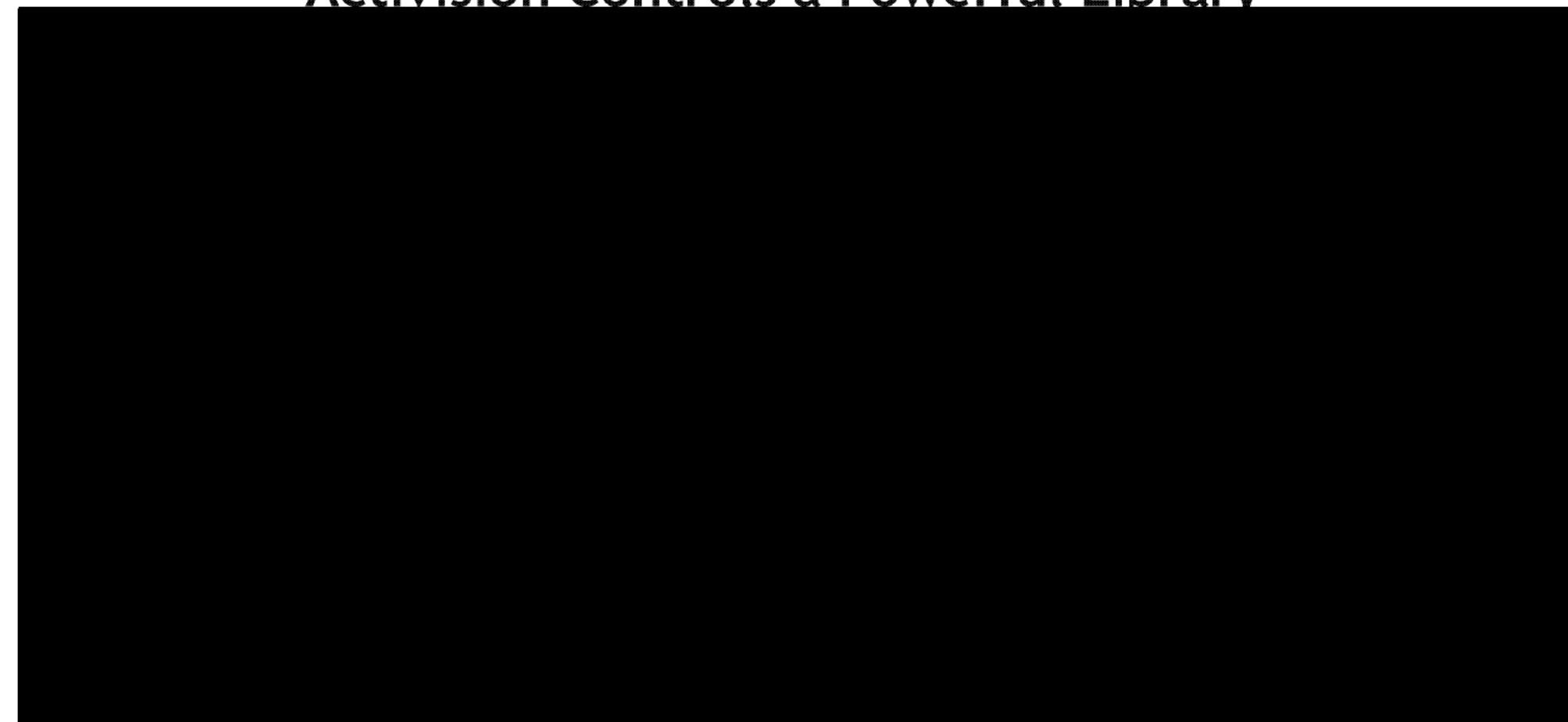
Overwatch and Diablo are other important AAA titles (*Id.*)

“With all of these initiatives already underway, we expect to have at least two more billion-dollar franchises in our portfolio in the next few years.” (*Id.*)

400 million players in 190 countries, with “plans to more than double that audience” (*Id.*)

\$69B price tag is an industry record for a reason

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CONFIDENTIAL/BUSINESS SECRETS § 5 237(1)(b), 244(3)(a) EA 2002

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Activision Controls a Powerful Library

Consumers reacted strongly to Activision removing games from GFN:



Activision Controls a Powerful Library

More customer reactions:



As an Independent Publisher, Activision has Strong Incentives to Promote Competing Platforms

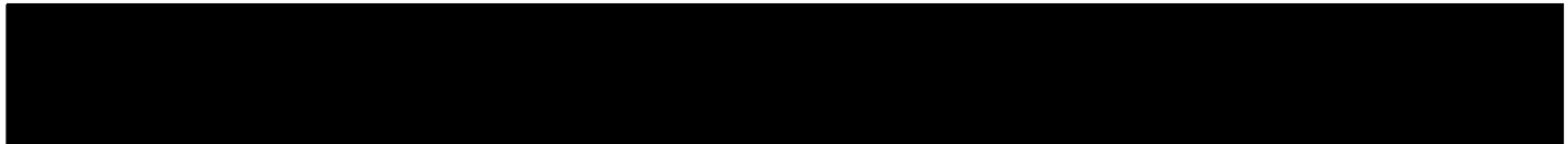
Independent publishers have a powerful incentive to work with many hardware and platform suppliers

- Encourage hardware/platform innovation and competition

- Support hardware/platform that have the best features (e.g., RTX)

- Maximize reach of, and revenue from, their game libraries

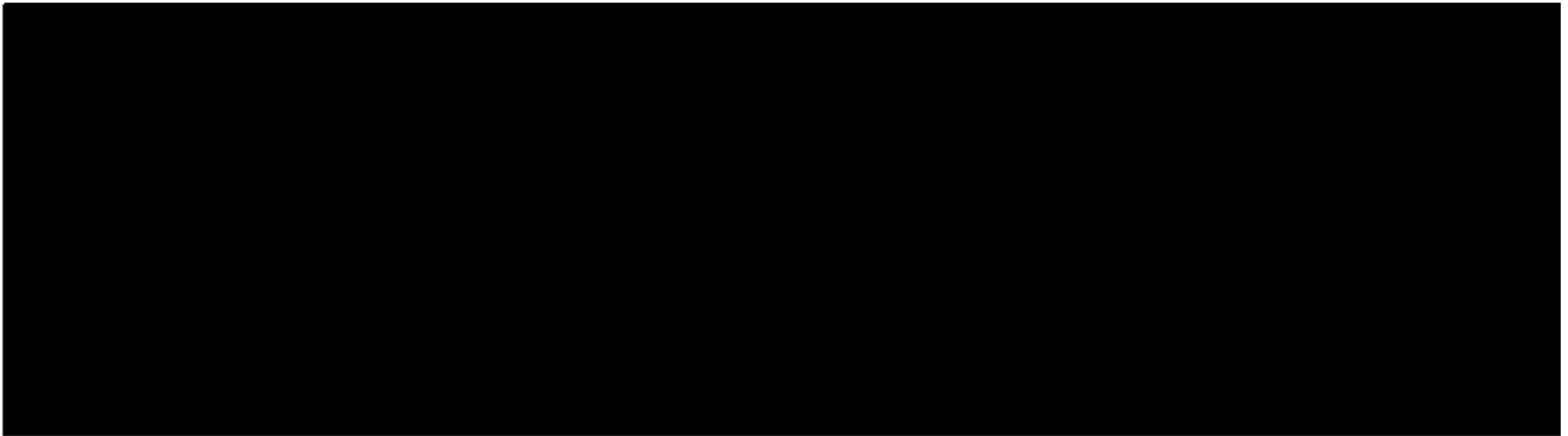
First-party publishers have an undeniable incentive to maximize profits from MSFT's other businesses



The Merger

Changed Activision's Incentives

Activision games were highly successful during GeForce NOW's beta phase:



The Merger [REDACTED] Changed Activision's Incentives

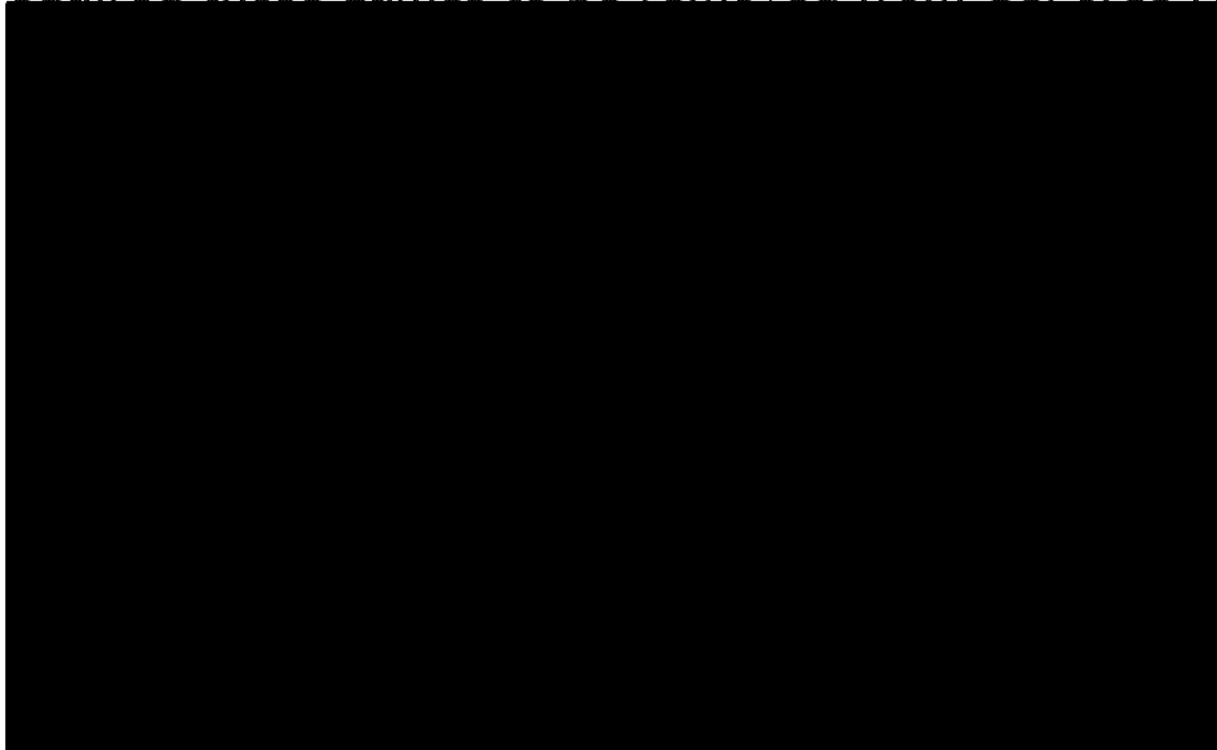
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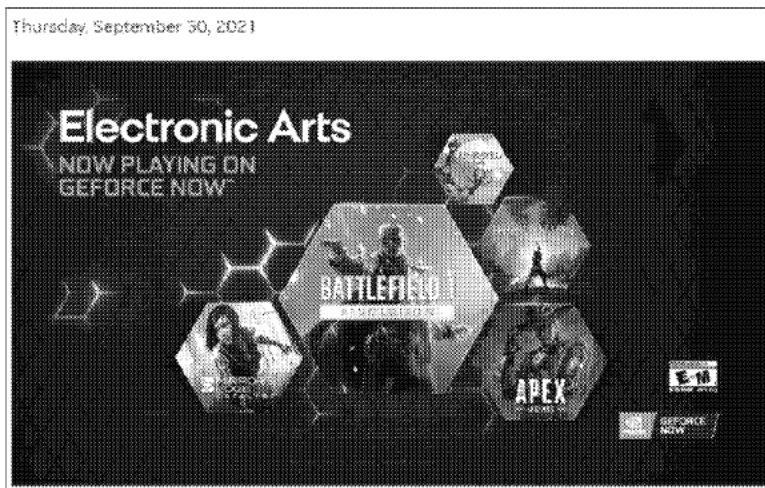
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As independent publishers, EA and Ubisoft have recognized the benefits to them of GeForce NOW and now make games available on the service:



<https://nvidianews.nvidia.com/news/nvidia-partners-with-electronic-arts-to-bring-hit-games-to-geforce-now>

CONFIDENTIAL/BUSINESS SECRETS § 237(1)(b), 244(3)(a) EA 2002

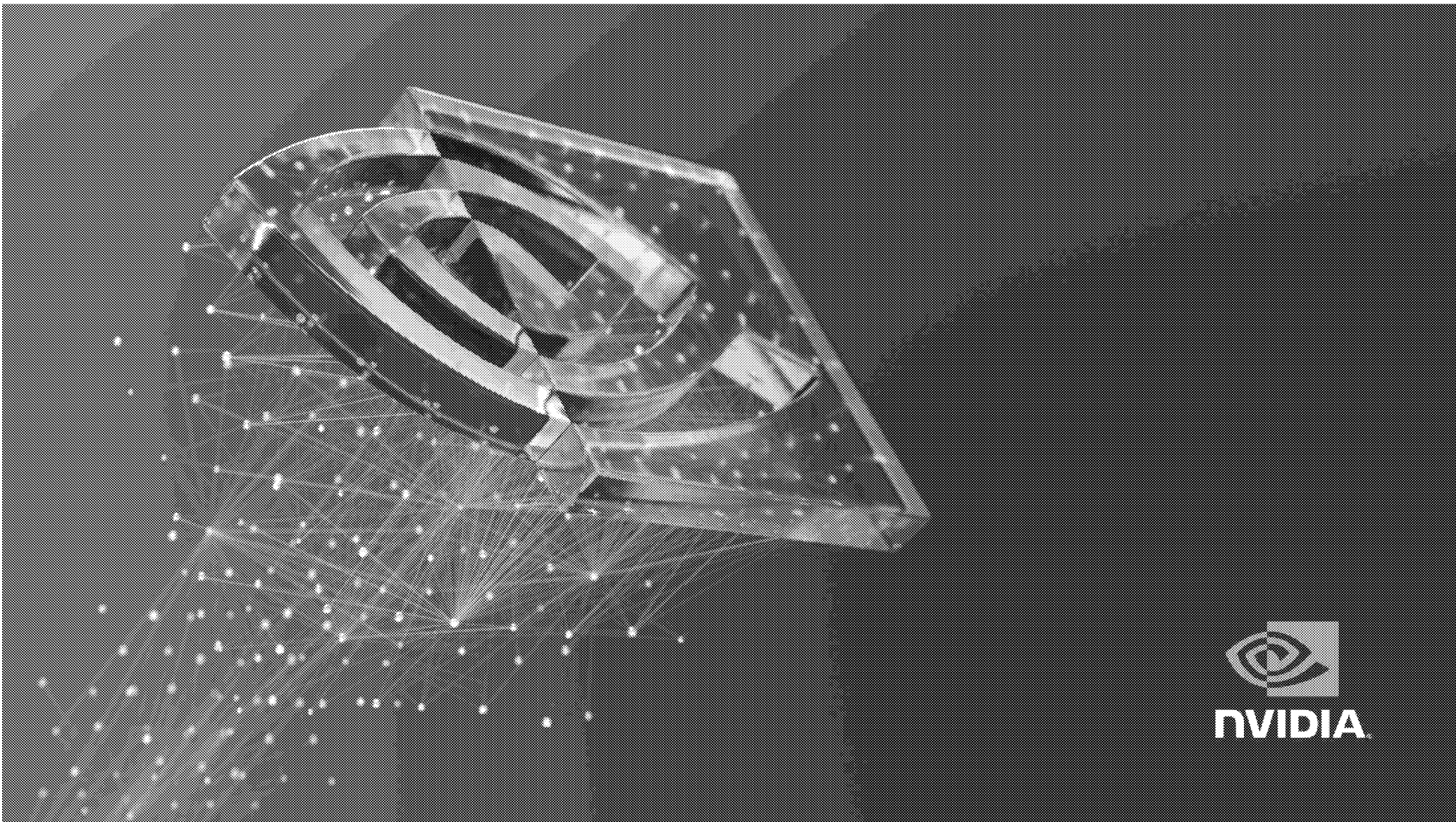


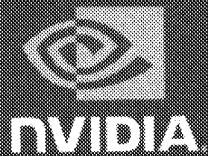
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20 december 2021

<https://ubisoftconnect.com/sv-SE/news/ignt.29734/ubisoft-account-linking-now-available-in-ge-force-now/>

20 NVIDIA

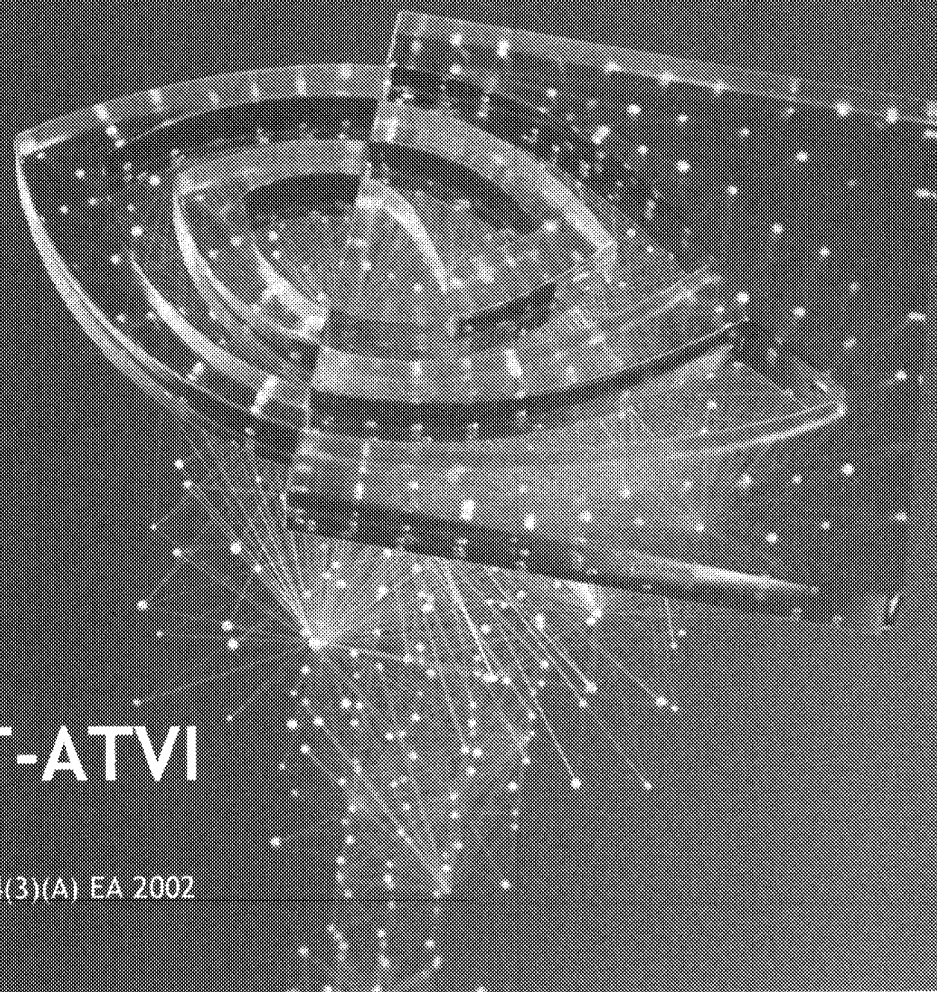




CMA AND NVIDIA DISCUSSION IN MSFT-ATVI

9 January 2023

CONFIDENTIAL/BUSINESS SECRETS §§ 237(1)(B), 244(3)(A) EA 2002



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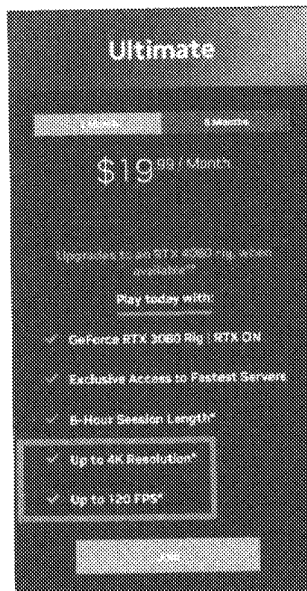
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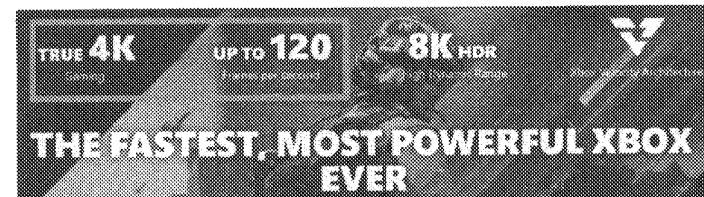
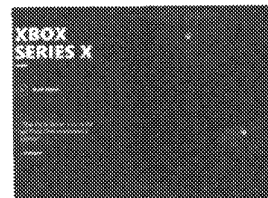
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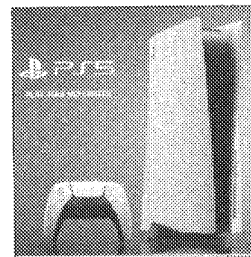
<https://www.nvidia.com/en-us/geforce-now/>

Xbox Series X



<https://www.xbox.com/en-US/consoles/xbox-series-x>

PlayStation 5



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CONFIDENTIAL/BUSINESS SECRETS § 5 237(1)(b), 244(3)(e) EA 2002

4 NVIDIA

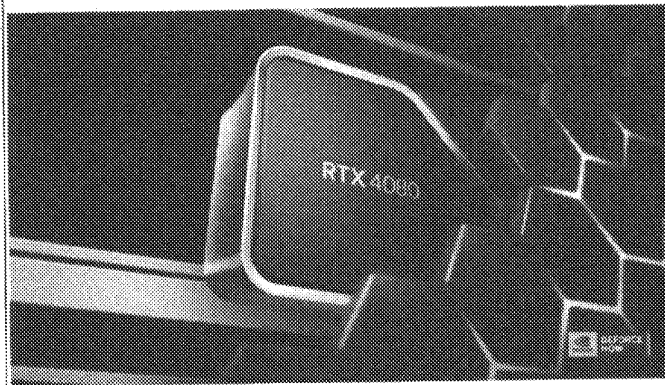
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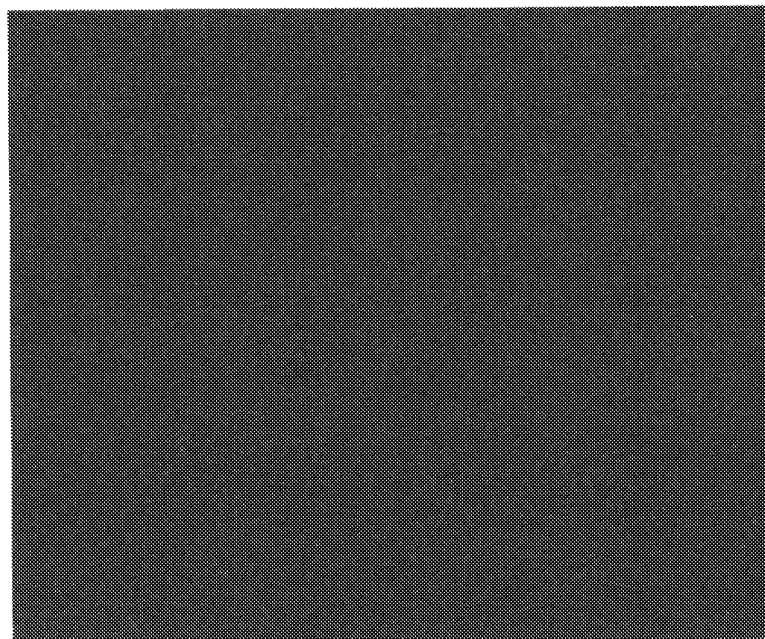
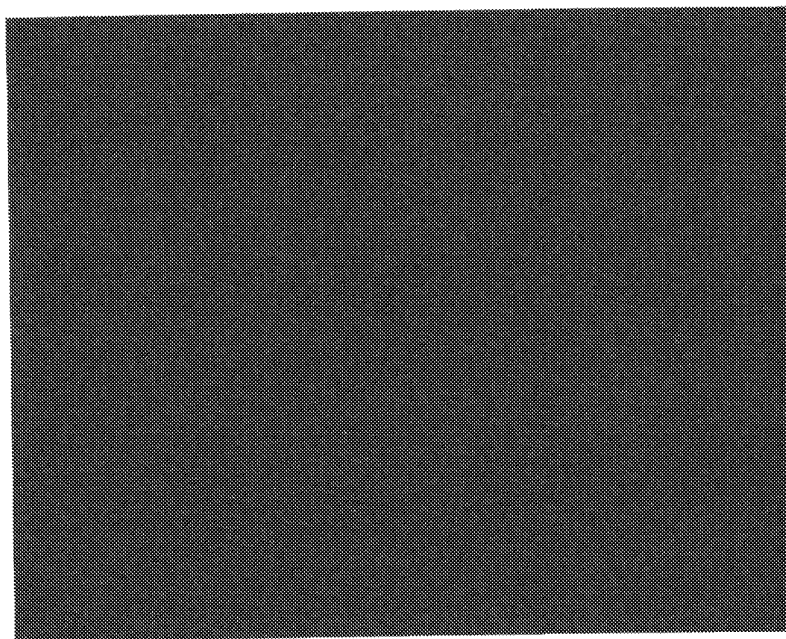
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CONFIDENTIAL/BUSINESS SECRETS § 5 237(1)(b), 244(3)(a) EA 2002

3 NVIDIA

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CONFIDENTIAL/BUSINESS SECRETS § 5 237(f)(b), 244(3)(a) EA 2002

6 NVIDIA

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3 NVIDIA

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7 NVIDIA

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CONFIDENTIAL/BUSINESS SECRETS § 8 237(1)(b), 244(3)(a) EA 2002

10 NVIDIA

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CONFIDENTIAL/BUSINESS SECRETS § 5 237(1)(b), 244(3)(a) EA 2002

11 NVIDIA

Activision Controls a Powerful Library

[REDACTED]

[REDACTED]

[REDACTED]

CONFIDENTIAL/BUSINESS SECRETS § 5 237(1)(b), 244(3)(b) EA 2002

12 NVIDIA

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[REDACTED]

[REDACTED]

[REDACTED]

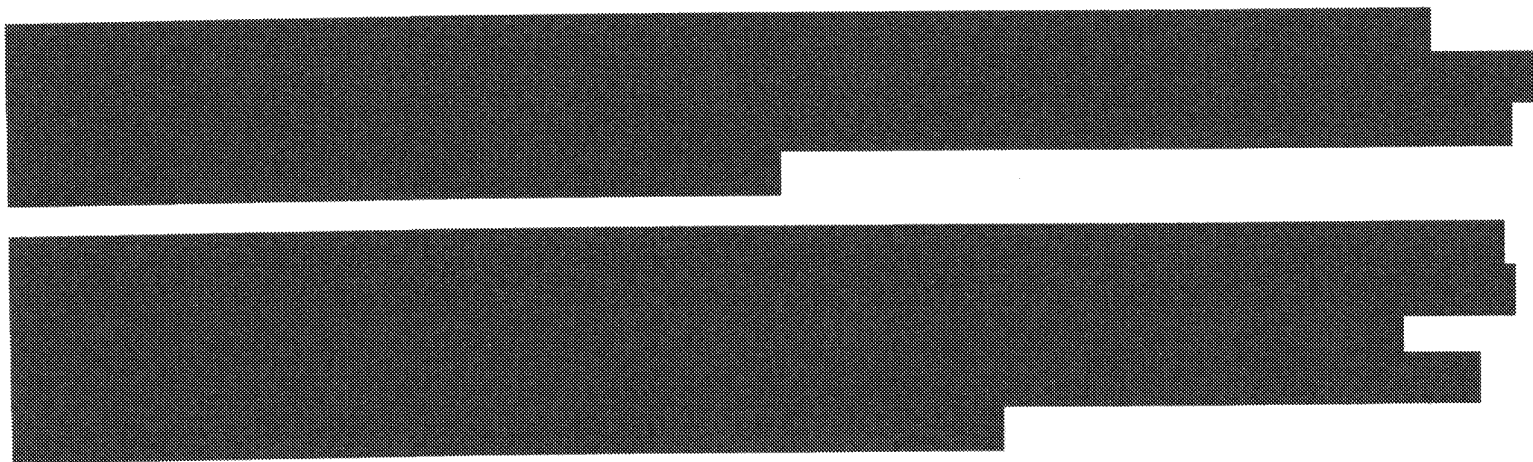
[REDACTED]

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13 NVIDIA

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CONFIDENTIAL/BUSINESS SECRETS § 237(1)(b), 244(3)(a) EA 2002

14 NVIDIA

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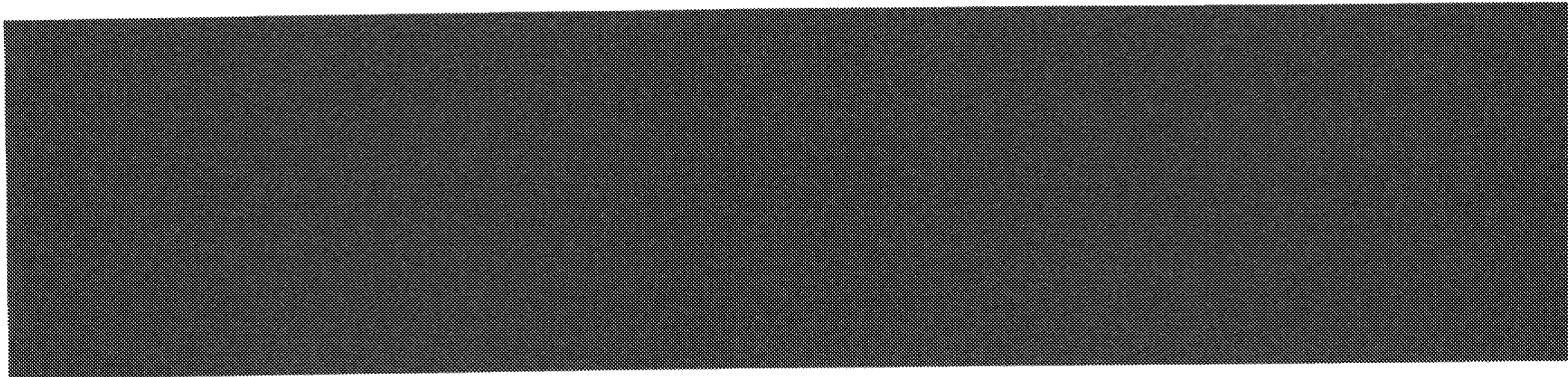
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© NVIDIA

The Merger

Changed Activision's Incentives

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CONFIDENTIAL/BUSINESS SECRETS § 237(1)(b), 244(3)(a) EA 2002

15 NVIDIA

The Merger [REDACTED] Changed Activision's Incentives

[REDACTED]

For example:

[REDACTED]

[REDACTED]

CONFIDENTIAL/BUSINESS SECRETS § 5 237(1)(b), 244(3)(a) EA 2002.

17 NVIDIA

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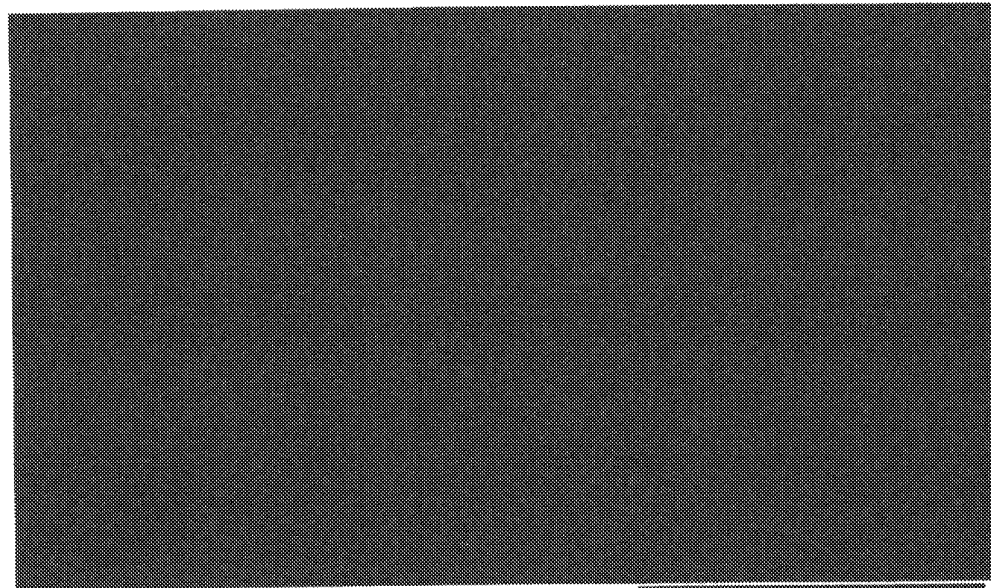
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16 NVIDIA

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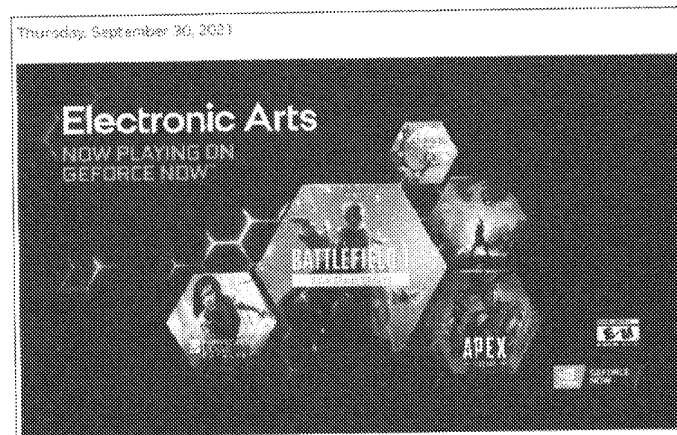
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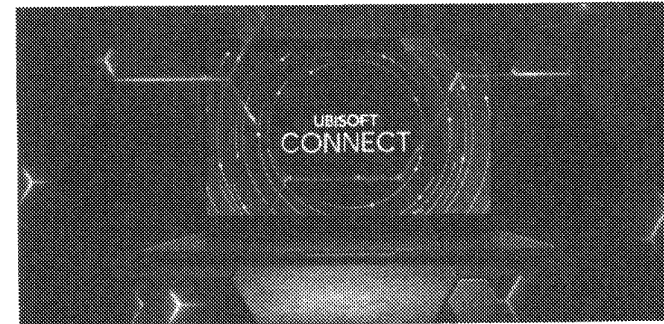
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20 NVIDIA

